

# FISCAL NOTE

## HB 726 - SB 1867

March 10, 2005

**SUMMARY OF BILL:** Amends the retirement law by authorizing teachers retired from a public elementary or secondary school to accept employment with a political subdivision and to continue drawing retirement benefits during the same time period.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$5,160,000 Annual Amortized Cost**

**Increase Local Govt. Expenditures - \$3,440,000 Annual Amortized Cost\***

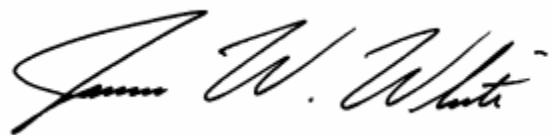
Assumptions:

- Ten percent of the teachers who meet service retirement will return to a political subdivision.
- Increase in the lump sum liability by approximately \$59,700,000.
- Amortize the additional lump sum liability over 20 years
- K-12 teachers assure a 60%-40% ratio between state and local funding.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director